

## **REMARKS**

In view of the above amendments and the following remarks, reconsideration of the rejections and further examination are requested. Upon entry of this amendment, claims 1, 9, 17, 18 and 20 are amended, leaving claims 1-21 pending with claims 1, 9, 17, 18 and 20 being independent. No new matter has been added.

Applicants request that the amendment to the independent claims be entered, since the amendments merely insert subject matter already considered by the Examiner, and thus do not require an additional search or consideration.

### ***Rejections Under 35 U.S.C. §102(b)***

Claims 1-21 have been rejected under 35 U.S.C. §102(e) as being anticipated by Tsuria et al. (U.S. 2004/00300898).

Applicants submit that the claims as now pending overcome the cited prior art. In particular, with regard to independent claim 1, independent claim 1 recites a terminal device for transferring right to use content to a portable medium while protecting a copyright of the content, including a conversion unit operable to convert the generated content, to generate converted content which is unable to be restored to the content.

Tsuria fails to disclose or render obvious such a device. In particular, while it may be arguable that Tsuria discloses a system that can "encrypt" and "re-encrypt", Tsuria fails to disclose an "irreversible conversion" (i.e., a conversion which does not allow the converted content to be restored to the original content), as recites in claim 1. For example, a conversion of content from high image quality to low image quality is an irreversible conversion. Once content is converted from high image quality to low image quality, the content cannot be restored back to the original high image quality from low image quality. Claim 1 thus distinguishes itself from Tsuria, since Tsuria fails to disclose such a device. Furthermore, there is no reasoning in the cited prior art modify Tsuria such that it would have rendered this element obvious.

Therefore, Applicants submit that independent claim 1 and its dependent claims are allowable over the cited prior art.

Independent claims 9, 17, 18 and 20, and their respective dependent claims are allowable for similar reasons to those set forth above. Namely, the cited prior art fails to disclose or render obvious a system, medium, method or program that recites a conversion which does not allow the converted content to be restored to the original content.

### ***Conclusion***

In view of the foregoing amendments and remarks, all of the claims now pending in this application are believed to be in condition for allowance. Reconsideration and favorable action are respectfully solicited.

Should the Examiner believe there are any remaining issues that must be resolved before this application can be allowed, it is respectfully requested that the Examiner contact the undersigned by telephone in order to resolve such issues.

Respectfully submitted,

Toshihisa NAKANO et al.

/Jeffrey J. Howell/

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Jeffrey J. Howell  
Registration No. 46,402  
Attorney for Applicants

JJH/kh  
Washington, D.C. 20005-1503  
Telephone (202) 721-8200  
Facsimile (202) 721-8250  
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